



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

February 13, 1992

Mr. Paul C. Spor
General Manager
North Lily Mining Company
P.O. Box 421
Eureka, Utah 84628

Dear Mr. Spor:

Re: Review of Permit Amendment, Supplemental Mine Waste Dump
Development, Tintic Heap Leach Project, M/023/007, Juab County, Utah

The Division has completed its review of your latest application for a mine plan permit amendment and supplemental information, received November 14th and December 9, 1991, respectively. We apologize for the unforeseen delay in completing our review of your application. Unfortunately, we cannot accept your request to amend North Lily Mining Company's (NLMC) previous exploration Notice of Intention (NOI), file number E/023/038. That notice was a "one-time" request, accepted by this Division as a means to avoid a temporary suspension of mining operations, while the Division completed its review of a larger scale mine plan permit amendment.

As discussed with you during our December 10, 1991 onsite inspection, this proposal will be considered an amendment to the approved permit for the Tintic Heap Leach facility. Therefore, we have reviewed your latest application according to the rules governing revisions or amendments to Large Mining Operations (LMO).

The amendment application has been found incomplete. The following deficiencies must be addressed before we can approve of this permit amendment request:

R647-4-101. Filing Requirements and Review Procedures. - HWS

A Notice of Intention to Revise Mining Operations, FORM MR-REV, should be completed by the operator and resubmitted for this proposal (copy attached). If possible, the amendment request should be formatted, dated and numbered to allow direct insertion of replacement pages into the approved permit application (M/023/007).

Page 2
Mr. Paul C. Spor
M/023/007
February 13, 1992

R647-4-105.3 Maps, Drawings, Cross-Sections. - HWS

Reclaimed slope cross-sections should be addressed in the plan for all newly utilized dump areas where the slope will be equal to, or steeper than 2H:1V.

R647-4-106.4 Operation Plan, Nature of Materials. - HWS/DWH

A brief explanation addressing the physical and chemical characteristics of the material to be left for reclamation should be provided and incorporated into the plan. The operator should be able to provide this information based upon existing data. The projected tonnage and volume of material to be removed to the heap leach processing area (from each waste dump area) versus the amount of material to remain at each dump site should be provided.

R647-4-106.5 Operation Plan, Soils Description. - HWS

The operator must commit to not impacting native (undisturbed) soils adjacent to the dumps. If this commitment cannot be made these native soils must be identified and salvaged before the area is impacted.

R647-4-106.6 Operation Plan, Plan for protecting & redistributing soils. - HWS

If native soils are to be impacted they must be salvaged and protected for later reclamation. In light of what Division staff recently observed at the Centennial Dump, it is important that NLMC pay close attention to how these areas will be impacted and take steps to mitigate the impacts as required.

R647-4-106.7 Operation Plan, Existing vegetative communities. - HWS

The operator needs to provide the Division with a description of existing plant communities associated with the dump sites. Such communities would include any vegetation found on the dumps themselves and on adjacent unimpacted areas. - HWS

R647-4-106.9 Operation Plan, Location & size of waste stockpiles. - AAG

What will be the final disposition of the waste (coarse rock) stockpiles remaining on the dump sites?

R647-4-107.1.11 Operation Practices, Closing/guarding of shafts & tunnels. - AAG

Will the reprocessing of these waste dumps improve the access to some adits/shafts, thereby increasing the risk(s) and/or hazard(s) to public health and safety? If so, please provide a description of any mitigative measures to be taken.

R647-4-107.1.12 Operation Practices, Disposal of trash, debris. - AAG

The operator needs to commit to the removal of all trash and debris generated as part of this proposal.

R647-4-107.2 Operation Practices, Drainages. - DWH

The operator needs to commit to implement reasonable measures to minimize/prevent any additional impacts to natural drainages. Reasonable efforts must also be made to reestablish existing drainages that may presently be impacted/blocked by the mine waste dumps which will be reimpacted as part of this proposal.

R647-4-107.3 Operation Practices, Erosion & sediment control. - DWH

The plan must include a commitment to implement all practical measures necessary to control erosion and minimize sediment loss from the disturbed areas during operations. Examples could include: straw bales, silt fencing, rock-check dams, sediment basins, berms, etc., where appropriate.

R647-4-107.6 Operation Practices, Concurrent Reclamation. - HWS

What time frames will be applied to reclaiming the dumps when no longer utilized by NLMC? The Division encourages commencement of reclamation as soon as practicable on disturbed areas no longer required for continued mining operations.

R647-4-109.3 Impact Assessment, Existing soils. - HWS

Will there be any irreversible impacts to soils adjacent to the dumps?

Page 4
Mr. Paul C. Spor
M/023/007
February 13, 1992

R647-4-110.2 Reclamation Plan, Slope stability. - HWS

What type of slope stabilizing method will be applied to the reclaimed dumps? What will be the reclaimed slope angles of the dumps? Will the dumps be completely removed? Please describe a specific slope stabilizing method for all slopes equal to or steeper than 2H:1V. This should be different than one used for slopes less steep.

R647-4-110.5 Reclamation Plan, Revegetation program. - HWS

What seed mix and application rate will be used on the dumps? What type of soil amendments will be applied and at what rates?

R647-4-111.2 Reclamation Practices, Reclamation of stream channels. - AAG

The operator needs to state whether any channels will be affected by the removal of the additional waste dumps.

R647-4-111.11 Reclamation Practices, Structures & equipment disposal. - AAG

The operator needs to state what the final disposition of any structures/equipment encountered within the dumps will be.

R647-4-112 Variance. - HWS

No variance requests were included in the plan by the operator, but variances will likely be needed regarding topsoiling and revegetation. Even though the operator will not be required to meet the surrounding vegetation standard, the operator will be required to reseed the reimpacted dump areas.

R647-4-113 Surety - HWS/AAG

According to page 8 of NLMC's 11-27-90 plan amendment, the approved mine plan disturbance encompasses 71.2 acres. The current plan amendment proposes another 12.8 acres of dump disturbance yielding a total of 84 acres.

According to the 12-6-91 NLMC letter, 13.5 acres of bonded dump disturbance have been reclaimed to date. The Red Tailings area has 6.5 acres reclaimed out of 11.1 total acres bonded. The Mammoth Dump (i.e.,

Page 5
Mr. Paul C. Spor
M/023/007
February 13, 1992

Lower Mammoth) area has 7.0 acres reclaimed out of 15.0 total acres bonded. None of these previously disturbed/reclaimed areas have been formally released by the Division.

Rule R647-4-111.13 recommends that at least 3 growing seasons pass before a reclaimed site is formally evaluated for revegetation success. Reclaimed site(s) will qualify for full surety release upon meeting the 70 percent premining vegetative cover standard. Since these basic criteria have not been met, the Division cannot grant **full** surety release of the reclaimed acreage, or approve of a complete acre per acre exchange (1 reclaimed acre for 1 new disturbed acre), at this time. We will need to schedule a field inspection to evaluate revegetation success on those reseeded areas during the active growing season (late spring or early summer/92).

The Division has inspected and confirmed that the majority of the required cleanup and regrading work has been satisfactorily performed on these "reclaimed" sites. Therefore, the Division is prepared to grant a **partial** release of reclamation surety equivalent to the extent of successful reclamation work performed to date. We have calculated that the reclamation work completed thus far is sufficient to offset an additional seven (7) acres of proposed dump disturbance.

Any additional disturbance would require that supplemental surety be provided to the Division before the disturbance could occur. An alternative would be to reclaim additional disturbed areas which are no longer required for NLMC's operations.

GENERAL COMMENTS

1. The area referred to as the "Mammoth Dump" prior to the 11-14-91 amendment application actually meant the "Lower Mammoth Dump" which is close to the townsite of Mammoth. "Upper Mammoth" refers to the area at the "Mammoth Shaft". *(point of clarification)*
2. The Gold Chain Dump was not explicitly mentioned in the latest Exploration NOI amendment or in the approved Tintic Heap Leach Project (M/023/007) permit. However, it is included in NLMC's 12-6-91 letter as having 1 acre reclaimed. ***Since it was not previously mentioned, and is/was not bonded, it should not affect the exchange proposal.***

Page 6

Mr. Paul C. Spor

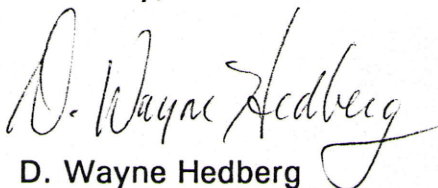
M/023/007

February 13, 1992

3. The borrow pit area was bonded for 2.6 acres of disturbance. The 1990 annual report listed 2 acres of disturbance at that location. The 12-6-91 NLMC letter lists 5.5 acres reclaimed at the borrow pit area. ***Please provide clarification over this discrepancy in acreage. What is the correct figure?***
4. The Mayday Dump was listed under E/023/038. Total disturbance under that Exploration NOI was reported as less than or equal to 3 acres and was said to be completely reclaimed in the report. This area was not bonded. The 12-6-91 NLMC letter lists the Mayday Dump at 2 acres and reclaimed. ***This reclamation should have no effect on the proposed current exchange of bonded and reclaimed areas as may have been implied by including this area in the letter.***

These remaining concerns must be addressed before we can formally approve of NLMC's proposed amendment. Again, we apologize for any inconvenience this delay may have caused you. Please contact me, Holland Shepherd or Tony Gallegos if you have any questions in this regard.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Attachment

cc: Kiran Bhayani, DWQ
Lowell Braxton, DOGM
Minerals staff (route)

M023007.2